

# UNCLASSIFIED TELEGRAM

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File (S) 25

E.O. 11652:  
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FROM  
AMEMBASSY BUENOS AIRES

CLASSIFICATION

GDS  
EFIN, SHUM, PEPR, AR, US, MILI  
CONTINUING ARGENTINE REACTION TO EXIM BANK LETTER TO  
ALLIS CHALMERS

SECSTATE WASHDC  
USCINCSO QUARRY HTS  
[REDACTED] BUENOS AIRES 5748

AMB  
DCM  
POL3  
POLR  
ECOM  
ICA  
RF  
CHRON

REF: A) BUENOS AIRES 5298; B) BUENOS AIRES 5486 (para 4);  
C) BUENOS AIRES 5596; D) BUENOS AIRES 5603

1. The political news-of-the-week review this past weekend was dominated by negative commentary in the wake of the EXIM Bank announcement, but the Foreign Ministry's clarification concerning the genesis of the Ambassador's meeting with Under Secretary Allara (reftel D.) [REDACTED] set the stage for a significant reduction in the attacks against us in the media. (We suspect that President Videla personally intervened with Under Secretary Allara to bring about the latter's clarification regarding the meeting with the Ambassador.)
2. Various Emboffs report that the scope and degree of bitterness among their contacts continue considerably greater on this issue than that resulting from the decision to cut FMS last year. Most contacts continue

ARGENTINA PROJECT (S200000044)  
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Margaret P. Grafeld, Director  
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Declassify: ( ) In Part ( ) In Full  
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Date Declassify on Reason

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CLEARANCES:

ICA:JHiggins  
ECOM:JAMott  
DAO:Col. RBGoetze  
MILGRP:Col. ALRussell

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(51/52)

OPTIONAL FORM 153  
(Formerly FS-413)  
January 1975  
Dept. of State

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to warn us of the accentuatedly ~~the~~ jingoistic Argentine impulse to herd together against foreign criticism whatever the merits of the issues--usually accompanied by forebodings that we are rushing headlong into another "Braden or Peron" quagmire.

3. We think the worst is over in terms of emotional public manifestations  
✓ outbursts or other precipitous/~~actions~~ against the US keyed to the EXIM Bank issue, but the longer term

✗ implications and consequences are yet to be felt in We continue to receive hints about abroad-  
✓ terms of Argentine foreign policy redirection./gating the Rio Defense Pact, cancelling the Milgrp and withdrawing from UNITAS.

4. Two official statements by government spokesmen, both issued July 21, are indicative of the continuing smouldering mood in the government:

a. Interior Minister Harguindeguy was quoted as saying "(with respect to <sup>political</sup> timetables) which foreigners wish to impose on us, there may be many here would like to join the ranks of those abroad, but in the history of all the peoples there always have been those who allied themselves with the foreign world and this will continue to be. They have their names and are defined in the Spanish language."

b. President Videla in a farewell speech (as Army Chief) before the troops stated, "As the Armed Force of the nation, we must, permanently, spiritually and materially remain on guard against any type of aggression

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jeopardizing our territorial integrity or the full exercise of our sovereignty which may be launched against us in order to divide us from within or from without. (U)

5. As seen by local press commentators, General Videla and Harguindeguy left little doubt that they were referring to the EXIM Bank decision. CLARIN saw the two speeches as coinciding in the conclusion that the Carter Administration's posture vis-a-vis Argentina was political i.e., that it referred to the de facto nature of the current Argentine Government rather than the human rights issue per se. The CLARIN commentary also articulated what appears to be the mood among some officials of the Argentine Government of perceiving what they believe to be the imposition by the US Government of linkages between the personal rights and democratic restoration issues on the one hand and US support, or a lack thereof, for Argentina's position in bilateral territorial disputes with Chile and Great Britain/ on the other. It should be added that no high-ranking official of the GOA has explicitly articulated such a concern to the Ambassador. However, such imaginary linkages were drawn in the Argentine mind, at least implicitly, in connection with the GOA complaints a few weeks ago about the Alende reception in Washington and, in the same breath, the President's allegedly deliberate omission of mentioning the Malvinas Island dispute in

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his opening address before the OASGA. With a fervid imagination, Argentine political observers read all kinds of sinister implications into what may be a mere coincidence of events. This problem led us to argue in reftels A. and B. for a policy which would permit us to explicitly de-link the personal rights issue from that of democratic restoration.

COMMENT

6/xx/xx would be useful for us to have the Department's reconfirmation that the US does not want or withhold support to southern cone countries on bilateral territorial issues as a pressure tactic to further our Human Rights policies.

CASTRO

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